

SouthWest Water
Utilities EXHIBIT A

25-30.436 General Information and Instructions Required of Water and Wastewater Utilities in an Application for Rate Increase.

- (1) Each applicant for a rate increase must provide the following general information to the Commission:
 - (a) The name of the applicant as it appears on the applicant's certificate and the address of the applicant's principal place of business.
 - (b) The type of business organization under which the applicant's operations are conducted; if the applicant is a corporation, the date of incorporation; the names and addresses of all persons who own 5 percent or more of the applicant's stock or the names and addresses of the owners of the business.
 - (c) The number of the Commission order, if any, which previously considered the applicant's rates for the system(s) involved.
 - (d) The address within the service area where the application is available for customer inspection during the time the rate application is pending.
 - (e) Where the utility requests rates which generate less than a fair rate of return, it must provide a statement of assurance that its quality of service will not suffer.
 - (f) A statement signed by an officer of the utility that states that the utility will comply with Rule 25-22.0407, F.A.C.
 - (g) A statement whether the applicant requests to have the case processed using the proposed agency action procedure outlined in Section 367.081(10), F.S.
- (2) The applicant's petition for rate relief will not be deemed filed until the appropriate filing fee has been paid and all minimum filing requirements set forth in this rule and in Rule 25-30.437, F.A.C., have been met, including filing of the applicant's prepared direct testimony unless the applicant has filed its petition pursuant to Section 367.081(10), F.S. At a minimum, the direct testimony shall explain why the rate increase is necessary and address those areas anticipated at the time of filing to be at issue.
- (3) The applicant must state any known deviation from the policies, procedures and guidelines prescribed by the Commission in relevant rules or in the company's last rate case.
- (4) The rate case application and information required by this rule must be e-filed by the utility with the Office of Commission Clerk. Within seven calendar days after the electronic filing, the utility must provide to the Office of Commission Clerk ten paper copies of the filing, clearly labeled "COPY," and, as applicable, Commission Form PSC 1028 (12/20) for a Class A utility, Form PSC 1029 (12/20) for a Class B utility, or Commission Form PSC 1030 (12/20) for a Class C utility, which are incorporated by reference in Rule 25-30.437, F.A.C. For Class A and B utilities, only two copies of Schedule E-14, entitled Billing Analysis Schedules, are required. For Class C utilities, only two copies of Schedule E-6, entitled Billing Analysis Schedules, are required. The applicable Commission Form must be provided in Microsoft Excel format with formulas intact and unlocked. Excel files may be provided in media such as a USB flash drive, CD, or DVD, but may not be submitted by e-mail.
- (5) In the rate case application:
 - (a) Each schedule must be cross-referenced to identify related schedules as either supporting schedules or recap schedules.
 - (b) Each page of the filing must be consecutively numbered on 8 1/2 x 11-inch paper.
 - (c) Except for handwritten official company records, all data in the petition, exhibits and minimum filing requirements must be typed.
 - (d) Any proposed corrections, updates or other changes to the originally filed data must be e-filed by the utility with the Office of Commission Clerk. Within seven calendar days after the electronic filing, the utility must provide to the Office of Commission Clerk ten paper copies of the filing, clearly labeled "COPY." Any schedules that have been changed must be provided in Microsoft Excel format with formulas intact and unlocked. Excel files may be provided in media such as a USB flash drive, CD, or DVD, but may not be submitted by e-mail. On the same day as the e-filing, the utility must serve an electronic copy of the filing on each party.
 - (e) If the capital structure contains zero or negative equity, a return on equity must be requested, which shall be up to the maximum of the return of the current equity leverage formula established by order of this Commission pursuant to Section 367.081(4), F.S.
 - (f) The provisions of Rule 25-30.433, F.A.C., must be followed in preparing the utility's application.
 - (g) Any system that has costs allocated or charged to it from a parent, affiliate or related party, in addition to those costs reported on Schedule B-12 of Commission Form PSC 1028 (12/20) for a Class A utility PSC 1029 (12/20) for a Class B utility, or PSC 1030 (12/20) for a Class C utility, which are incorporated by reference in Rule 25-30.437, F.A.C., must e-file additional schedules that show the following information:
 1. The total costs being allocated or charged prior to any allocation or charging as well as the name of the entity from which the

costs are being allocated or charged and its relationship to the utility.

2. For costs allocated or charged to the utility in excess of one percent of test year revenues:
 - a. A detailed description and itemization; and,
 - b. The amount of each itemized cost.
3. The allocation or direct charging method used and the bases for using that method.
4. The workpapers used to develop the allocation method, including but not limited to the numerator and denominator of each allocation factor.
5. The workpapers used to develop, where applicable, the basis for the direct charging method.
6. An organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties.
7. A copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

(h) For any land recorded on the utility's books since rate base was last established, the utility shall file documentation of the utility's right to access and continue use of the land upon which the utility treatment facilities are or will be located. Documentation of continued use must be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded, executed copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided the applicant files a recorded copy within the time required in the order granting a rate increase.

(6) The Director of the division that has been assigned the primary responsibility for the filing is the designee of the Commission for purposes of determining whether the utility has met the minimum filing requirements imposed by this rule.

(7) Within 60 days after the issuance of a final order entered in response to an application for increased rates, or, if applicable, within 60 days after the issuance of an order entered in response to a motion for reconsideration of the final order, each utility must submit a breakdown of actual rate case expense incurred, in total, in a manner consistent with Schedule No. B-10 of Commission Form PSC 1028 (12/20) for Class A utilities and Form PSC 1029 (12/20) for Class B utilities, and Schedule B-7 of Commission Form PSC 1030 (12/20) for Class C utilities, which are incorporated by reference in Rule 25-30.437, F.A.C. If the deadline prescribed above cannot be met, a utility may request an extension from the Director of the Division of Accounting and Finance for good cause shown, such as financial hardship, severe illness, or significant weather events such as hurricanes, but good cause does not include reasons such as management oversight or vacation time.

Rulemaking Authority 350.127(2), 367.121 FS. Law Implemented 367.081, 367.083, 367.121 FS. History—New 11-10-86, Amended 6-25-90, 11-30-93, 1-31-00, 1-27-21.

25-30.455 Staff Assistance in Rate Cases.

(1) Water and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for water service or \$300,000 or less for wastewater service, or \$600,000 or less on a combined basis, may petition the Commission for staff assistance in rate applications by submitting a completed staff assisted rate case application. Reasonable and prudent rate case expense shall be eligible for recovery through the rates developed by staff. Recovery of attorney fees and outside consultant fees related to the rate case shall be determined based on the requirements set forth in section 367.0814(3), F.S. A utility that chooses not to exercise the option of staff assistance may file for a rate increase under the provisions of rule 25-30.443, F.A.C.

(2) The appropriate application form, Commission Form PSC/AFD 2-W (11/86) (Rev. 06/14), entitled "Application for a Staff Assisted Rate Case," is incorporated into this rule by reference and is available at: <http://www.flrules.org/Gateway/reference.asp?No=Ref-04415>. The form may also be obtained from the Commission's Division of Accounting and Finance, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

(3) Upon completion of the form, the applicant shall file it with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870.

(4) Within 30 days of receipt of the completed application, the Commission will evaluate the application and determine the applicant's eligibility for staff assistance.

(a) If the Commission has received four or more applications in the previous 30 days; or, if the Commission has 20 or more docketed staff assisted rate cases in active status on the date the application is received, the Commission will deny initial evaluation of an application for staff assistance and close the docket. When an application is denied under the provisions of this paragraph, the Commission will notify the applicant of the date on which the application may be resubmitted.

(b) Initially, determinations of eligibility will be conditional, pending an examination of the condition of the applicant's books and records.

(5) Upon making its final determination of eligibility, the Commission will notify the applicant in writing as to whether the application is officially accepted or denied. If the application is accepted, a staff assisted rate case will be initiated. If the application is denied, the notification of application denial will state the deficiencies in the application with reference to the criteria set out in subsection (7) of this rule.

(6) The official date of filing will be 30 days after the date of the written notification to the applicant of the Commission's official acceptance of the application.

(7) In determining whether to grant or deny the application, the Commission will consider the following criteria:

(a) Whether the applicant qualifies for staff assistance pursuant to subsection (1) of this rule;

(b) Whether the applicant's books and records are organized consistent with rule 25-30.110, F.A.C., so as to allow Commission personnel to verify costs and other relevant factors within the 30-day time frame set out in this rule;

(c) Whether the applicant has filed annual reports;

(d) Whether the applicant has paid applicable regulatory assessment fees;

(e) Whether the applicant has at least one year of experience in utility operation;

(f) Whether the applicant has filed additional relevant information in support of eligibility, together with reasons why the information should be considered; and,

(g) Whether the utility was granted a rate case increase within the 2-year period prior to the receipt of the application under review.

(8) The Commission will deny the application if the utility does not remit the filing fee, as provided by paragraph 25-30.020(2)(f), F.A.C., within 30 days after official acceptance.

(9) An aggrieved applicant may request reconsideration of the application denial, which will be decided by the full Commission.

(10) A substantially affected person may file a petition to protest the Commission's proposed agency action in a staff assisted rate case within 21 days of issuance of the Notice of Proposed Agency Action Order, as set forth in rule 28-106.111, F.A.C.

(11) A petition to protest the Commission's proposed agency action shall conform to rule 28-106.201, F.A.C.

(12) In the event of a protest of the Commission's Notice of Proposed Agency Action Order in a staff assisted rate case, the utility shall:

(a) Provide prefiled direct testimony in accordance with the Order Establishing Procedure issued in the case. At a minimum, that testimony shall adopt the Commission's Proposed Agency Action Order;

(b) Sponsor a witness to support source documentation provided to the Commission staff in its preparation of the staff audit, the

staff engineering and accounting report and the staff proposed agency action recommendation in the case;

(c) Include in its testimony the necessary factual information to support its position on any issue that it chooses to take a position different than that contained in the Commission's Proposed Agency Action Order; and,

(d) Meet all other requirements of the Order Establishing Procedure.

(13) Failure to comply with the dates established in the Order Establishing Procedure, or to timely file a request for extension of time for good cause shown, may result in dismissal of the staff assisted rate case and closure of the docket.

(14) In the event of a protest of the Commission's Proposed Agency Action Order in a staff assisted rate case, the Commission staff shall:

(a) File prefiled direct testimony to explain its analysis in the staff proposed agency action recommendation. In the event the staff wishes to alter its position on any issue, it shall provide factual testimony to support its changed position;

(b) Meet all other requirements of the Order Establishing Procedure; and,

(c) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. This material shall consist of an example of testimony filed by a utility in another case, an example of testimony that would support the Proposed Agency Action Order in this case, an example of an exhibit filed in another case, and examples of prehearing statements and briefs filed in other cases.

Rulemaking Authority 350.127(2), 367.0814, 367.121 FS. Law Implemented 367.0814 FS. History—New 12-8-80, Formerly 25-10.180, Amended 11-10-86, 8-26-91, 11-30-93, 1-31-00, 12-16-08, 8-10-14, 2-19-17, 7-1-18.